

Israelis Reportedly Willing To Consider Beirut Pullback

Compiled by Our Staff From Dispatches
BEIRUT — Israel appears willing to consider a limited pullback of its forces encircling Palestinian guerrillas in West Beirut as soon as the evacuation of the Palestinians as begun, Western diplomats said Wednesday.

But despite hints of progress in talks to prevent an Israeli assault, they said, enormous practical problems remained that could make an agreement impossible before the Israelis lose patience and either their tanks into the heart of Beirut.

Government sources reported on Monday that the Palestine Liberation Organization was ready to meet Israel's demand that its guerrillas leave Lebanon, subject to several conditions.

Wednesday the sources said that after a period of intense bargaining involving representatives of the PLO, Lebanon, Saudi Arabia, the United States and Israel, the United States was giving the impression that some of these conditions could be accommodated.

The sources said the PLO de-

mands included a call for the Israelis to pull back 5 kilometers (4.8 miles) from Beirut and that the PLO be allowed to take their weapons and leave a token military and political presence in Lebanon.

The Western diplomats said Israel now appeared willing to consider a limited pullback to take place as soon as the evacuation of the PLO fighters had begun.

Israeli Prime Minister Menachem Begin revealed in the Knesset, or parliament, late Tuesday that he had agreed to allow the Palestinians to keep their light, personal weapons as they depart, the first sign of flexibility in the Israeli position.

The government sources said after a meeting Wednesday between Lebanese Premier Shafiq al-Wazan and Philip C. Habib, the U.S. special envoy, that there was a possibility that the guerrillas might be allowed to leave Lebanon with their heavy weapons.

It was unclear, however, to what extent Mr. Habib was presenting purely U.S. views at the meeting

and how much he was hinting at Israeli positions.

The sources added that the question of allowing some armed Palestinians to stay in Lebanon in a special unit under Lebanese Army command was also "not impossible."

One suggestion was for the unit to be established but then leave Lebanon when other "foreign forces," meaning the Israelis and Syrians, withdrew from Lebanon.

Government sources said the PLO had agreed to leave Lebanon subject to certain conditions, including the right to take with them all their weapons.

Government and diplomatic sources reported that there have been frequent shifts in the PLO position, but it appears the Palestinians are holding out for the token Israeli withdrawal and for the retention in Lebanon of a PLO political office and the symbolic battalion of PLO fighters under Lebanon Army control.

Reports of Fighting

The sources said the Lebanese government had no objection in the PLO keeping an office in Lebanon, as it does in every other Arab country.

One report originating in Lebanon mentioned a Saudi proposal to fly the Palestinians out of Beirut and spare them the humiliation of an exodus over land — under the gaze of the Israelis — or by sea to a still-unknown destination.

Israeli officials said they knew nothing of such a Saudi proposal or a report in the newspaper *Ma'an* that Israel would agree to an airlift if it were done immediately.

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Israel Goes to U.S. With Its Denial Of High Civilian Toll in Lebanon

By George C. Wilson
Washington Post Service

WASHINGTON — The Israeli government has gone to Washington with its side of the argument over how many civilians its forces have killed in Lebanon.

Retired Lt. Gen. Aharon Yariv, former head of Israeli military intelligence, said at a news conference at the Israeli Embassy on Tuesday that estimates being made in Lebanon "are out of all proportion of reality."

Lebanese police two weeks ago estimated that 9,583 persons had been killed and 16,608 wounded since Israel invaded Lebanon on June 4. The Lebanese Red Cross has estimated that in the city of Sidon 1,000 to 2,000 persons died and 3,000 to 4,000 were injured.

Gen. Yariv, as other Israeli officials have done, said he could give no estimate of casualties in Beirut and focused his attention instead on the cities of Sidon, Tyre and Nabatiye.

His estimates of civilian casualties were: Sidon, 265 killed, 1,000 wounded; Tyre, 56 killed, 95 wounded; Nabatiye, 10 killed, 15 wounded.

Pressed for an estimate on the



Lt. Gen. Aharon Yariv

total number of civilians killed in Lebanon, Gen. Yariv said, excluding Beirut, "I don't think they'll reach 500."

Turning to Israeli casualties in Lebanon, Gen. Yariv said 270 have been killed, totaling that toll "not a small price." He estimated

shorter-range nuclear weapons have been in progress since Nov. 30 with little progress.

Mr. Rowny said Mr. Karpov approaches arms negotiations with the caution of a chess player, "whereas we in the West like to play *Pac-Man*," a fast-moving video game. He said the talks would have to move slowly because of the complex issues involved.

Positions Far Apart

The United States and the Soviet Union entered the talks with positions far apart. They disagree on how their nuclear forces currently compare and what the treaty should accomplish.

Mr. Rowny and Mr. Karpov held a preliminary session Tuesday, devoted mainly to procedural matters. Mr. Rowny described the session as "cordial, businesslike, frank and earnest."

Mr. Rowny said he and Mr. Karpov decided Tuesday to maintain the "confidentiality" of the talks, releasing only incidental details of the sessions.

The talks are expected to last many months. The negotiations on

U.S. Presents Plan for Arms Cuts In First Working Session at Geneva

Compiled by Our Staff From Dispatches

GENEVA — U.S. and Soviet negotiators began substantive bargaining Wednesday on reducing the two superpowers' long-range nuclear weaponry, and the United States gave a detailed explanation of its own proposals.

Chief negotiator Edward L. Rowny presented the U.S. plan at a closed, two-and-a-half-hour meeting, the first working session in a new round of Strategic Arms Reduction Talks, known as START, that opened Tuesday.

Mr. Rowny and the chief Soviet negotiator, Viktor P. Karpov, greeted each other across a dark veneered table in an eighth-floor conference room of the U.S. diplomatic mission here. Each negotiator was backed by a nine-member delegation. The next full round is set for Friday.

The talks are running in tandem with negotiations that opened here last November on reducing U.S. and Soviet medium-range missiles based in Europe. Beginning next week, working sessions in both

shorter-range nuclear weapons have been in progress since Nov. 30 with little progress.

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An Israeli soldier stood guard outside a sandbagged bank in Hazmieh, Israeli-occupied Lebanon, that was open as usual.

Hong Kong to Tighten Refugee Policy

By Peter Cordingley
International Herald Tribune

HONG KONG — All Vietnamese refugees arriving here Friday or thereafter will be held in a former prison on an outlying island for as long as it takes to find them a new home elsewhere.

In Malaysia and the Philippines, they are placed in squalid, closed camps. Those making for Thailand have to run the gamut of pirates before also finishing up behind barbed wire.

Closed Doors

Singapore refuses entry to anybody who does not have a guaranteed resettlement offer. Macao gives temporary refuge to those in most serious, on May 1, refugees from what used to be North Vietnam fought those originating from the south with knives and metal bars. A number of camp buildings were burned out.

Hong Kong has a refugee population of more than 11,000, and there is a growing government fear that the vast majority may never be resettled. The official view is that the West has turned its back on the problem.

The United States has reduced this year's quota by about a third, and much new standards eliminate virtually all refugees in Hong Kong camps. Britain has stopped admitting Vietnamese, while Canada has sliced its annual quota nearly in half. Australia has reduced its resettlement quota to a token.

Resettlement countries are calling a halt to the game," said John Heywood, Hong Kong's deputy secretary for security, "and we are being left in the middle. Hong Kong is being made to pay for being the good guy in the region."

The local office of the United Nations High Commission for Refugees, which has shown irritation with the Hong Kong move, said there is no evidence from elsewhere in the region that repressive measures keep out the refugees.

Hanoi, and it is not likely to be forthcoming.

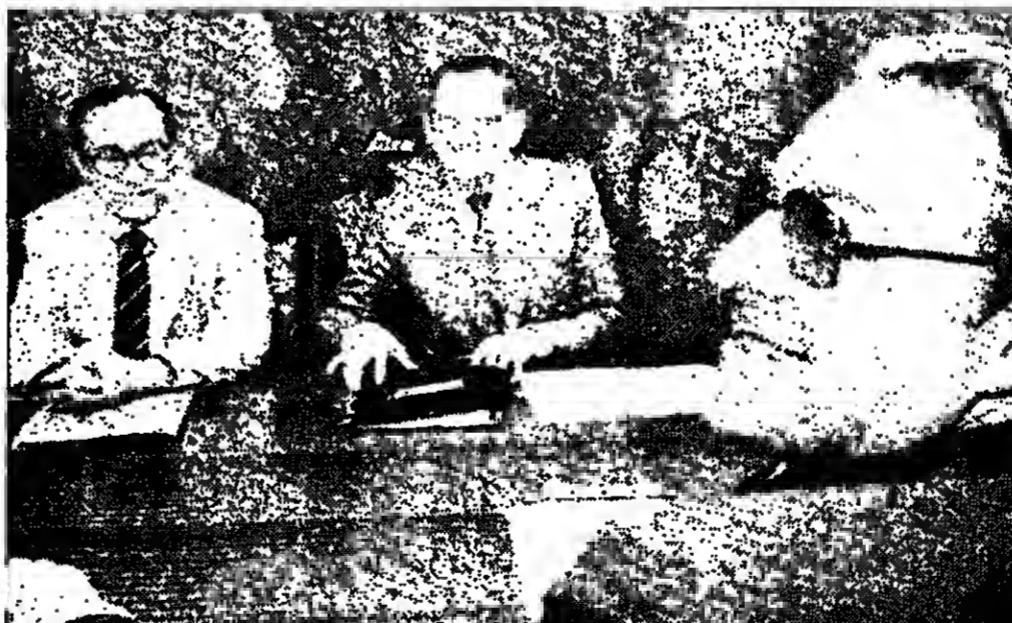
Any refugee with a criminal record automatically loses all hope of resettlement, so many of those convicted of involvement in rioting have had nothing recorded against them.

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362 Refugees Picked Up

PAPEETE, Tahiti (UPI) — Two French vessels picked up 362 Southeast Asian refugees in the Gulf of Thailand, French military officials said Wednesday.

The corvette *Balny* will transport 71 of them to Singapore. Members of the Doctors of the World organization, who chartered the mercy ship *Goclo*, will accompany the remaining 291 to the Philippines. No further details were available.



S. Africa Says Namibia Pact Nears But Cubans First Must Quit Angola

By Bernard W. Chinabrook
New York Times Service

WASHINGTON — A South African government delegation has told U.S. State Department officials that the withdrawal of Cuban troops from Angola was the key issue in working out an agreement to bring independence to South-West Africa.

South African diplomatic officials said Monday that the current round of talks with U.S. officials was set to wind up this week, and that "a feeling of urgency" hovered over the prolonged negotiations.

Pretoria Gave Arms, Seychelles Court Told

United Press International

VICTORIA, Seychelles — South Africa supplied arms to mercenaries for an attempted coup in the Seychelles last November, a South African intelligence officer testified Wednesday.

However, Martin Dolincheck, the South African, said his government was not involved in the actual planning, providing weapons that had been captured during raids into Angola.

"As an officer in the National Intelligence Service, I believe the South African government was aware of the operation but was not involved in the planning, giving only tacit approval and arms but no money," Mr. Dolincheck said.

On trial for his life in connection with the bungled attempt to take power last November, Mr. Dolincheck said South Africa backed the mercenaries in order to insure landing rights for its national airline on routes across the Indian Ocean.

Mr. Dolincheck said South Africa feared losing landing rights on the Indian Ocean island of Mauritius. The United States had refused to give South African Airways landing rights on the Diego Garcia military base near Mauritius.

Mr. Dolincheck said the leader of the expedition, the infamous Col. Michael "Mad Mike" Hoare, had told him the Kenyan government was going to fly in troops to maintain order after the coup.

"That way it would look like an all-African affair," he said. Kenya has repeatedly denied any involvement.

Mr. Dolincheck was part of a

Finn Aide to Visit Ireland

Reuters

HELSINKI — Foreign Minister Paavo Stenback will visit Ireland July 26-28, the Foreign Ministry said Wednesday.

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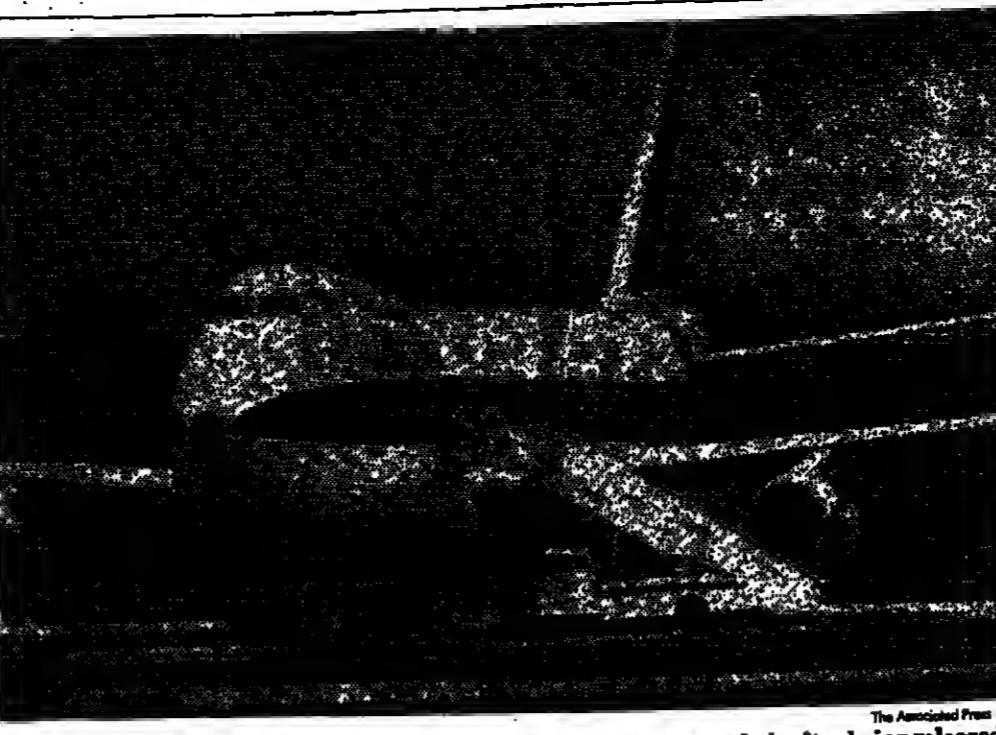
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Bell System



A woman is helped from a hijacked Alitalia 747 Wednesday in Bangkok after it was freed from its captors. The plane was seized between New Delhi and Bangkok. He freed 143 of 260 aboard after learning his estranged wife and son were en route from Italy as he had demanded.

Sri Lanka Hijacker Frees 143 on Plane in Bangkok

The Associated Press

BANGKOK — An accused drug trafficker said to be wearing a necklace of dynamite freed 143 of his 260 hostages from an Alitalia jumbo jet Wednesday after learning that his estranged wife and son were on their way to Bangkok from Rome as he demanded, negotiators said.

They said he talked to her while she was flying en route from the Italian capital. The woman and boy were expected to arrive in Bangkok early Thursday.

Those released included all the women aboard the aircraft, and all men under 19 and over 50. All

were reported in good condition. Their identities were not immediately known.

The hijacker, identified as Sepala Ekanayaka, 33, of Sri Lanka, also demanded \$300,000 and told authorities that he had six accomplices aboard the jet, but the captain said he had seen only one air pirate when the plane was commanded earlier Wednesday shortly after takeoff from New Delhi.

The Thai communications minister, Amorn Silpa-archa, said Alitalia agreed to pay the ransom money. But an Alitalia spokesman, Vincenzo Roversi, said in Rome, "It's not true. We are not part of the negotiations."

New Train Strike Called in Britain Despite Setbacks for Labor Unions

Compiled by Our Staff From Dispatches

LONDON — The abandonment of a national railroad strike within hours of its launching in Britain is the latest in a string of reverses for labor militancy over the past 18 months.

But though one rail strike ended Tuesday another looks next week.

British locomotive engineers are maintaining their call for an indefinite strike beginning at midnight Saturday. British Rail chief Sir Peter Parker said the strike, which will mean a complete shutdown of the system, could cost thousands of jobs.

The leadership of the 26,500-member Association of Locomotive Engineers and Firemen ordered the walkout Tuesday just as the biggest National Union of Railwaysmen suspended a strike that shut down the British railroad system for 48 hours.

The dispute with ASLEF is over British Rail plans to abolish the

traditional eight-hour shift in favor of flexible shifts of between seven and nine hours. The union says this could cost 1,000 jobs.

The rail strike earlier this week, called by the leftist executive committee of the National Union of Railwaysmen, was overturned by delegates at their annual convention after the strike began Monday. The strike ended Tuesday at midnight.

The dispute, over pay and productivity, was referred to a tribunal for arbitration. A strike by the same union which closed London's subway for more than a week was also suspended Tuesday.

An unemployment rate of 12.8

percent has weakened the bargaining position of union workers. Around 3 million Britons are out of work, the most since the great depression of the 1930s.

Time Lost Falls

Strikes resulted in a third less work time lost to strikes in 1981 than the annual average during the previous 10 years, according to the Department of Employment.

Prime Minister Margaret Thatcher pledged, when she was elected in May, 1979, to curb wage increases as a step in her battle against inflation and to cut jobs in overmanned industries to reduce costs and make British products more competitive on world markets.

Setbacks for unions have intensified since January, 1981. In that month, 78 percent of those voting in a workforce ballot of the state-run British Steel accepted a survival plan offered by the company. The Iron and Steel Trades Confederation union urged workers not to vote, but 65 percent did.

Steel Losses Dropped

Since then, losses have dropped by one-third, output has increased to near capacity and the swollen workforce has been chopped from 208,000 to 100,000. It is set to go down again to 92,400 by next March.

In July, 1981, after 21 weeks of job slowdowns and one-day strikes to force a 15 percent pay increase, 682,000 civil servants accepted the government's offer of 7.5 percent. The original offer was 7 percent.

Officials announced on Monday that Juan Ramon Aguirre Lanari had been picked to become foreign minister, replacing Nicanor Costa Méndez, who was responsible for Argentina's diplomatic efforts during the Falkland Islands crisis.

Gen. Bignone is to be sworn in Thursday as the fourth military president since the armed forces overthrew President Isabel Peron in 1976. He reportedly also will make a 15-minute speech to the nation Thursday night in which he is expected to reveal some of the new government's economic measures.

Gen. Bignone, 54, on June 22 was named by Lt. Gen. Cristian Nicolás, the new army commander, to succeed Lt. Gen. Leopoldo F. Galtieri, who was ousted following Argentina's defeat in the Falkland Islands.

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Nevertheless, union conflicts are far from over. As well as the new rail strike, a million employees in the National Health Service are staging sporadic strikes for a 12 percent pay claim.

French Embassy Employees in U.S. Strike Over Eroded Value of Pay

United Press International

WASHINGTON — French diplomats and embassy employees in Washington have walked off the job to protest the eroded value of the franc in their pay.

About 70 persons walked a picket line for two hours in front of the embassy chancery Tuesday. The strikers said that because they are paid in francs rather than dollars, they have lost about 25 percent of their buying power since 1980.

After the franc's most recent devaluation, its value against the dollar fell about 10 percent.

The employees asked for a 47 percent increase in their overseas cost-of-living bonus. After a committee of the strikers presented their grievances to Ambassador Bernard Verner-Pallicz, they went back to work and the embassy was open as usual Tuesday afternoon.

A spokesman for the State Department's protocol office, which handles relations with foreign embassies in Washington, said it was the first time diplomats had picketed an embassy in a wage dispute.

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WORLD BRIEFS

Parole Haitians, U.S. Judge Insists

MIAMI — U.S. District Judge Eugene P. Spellman refused to stay his order that the U.S. government grant parole to the Haitian refugees it is detaining. The Justice Department moved the U.S. Court of Appeals it would appeal the decision.

The department also has said that until the appeal was resolved, it would keep the 1,900 Haitians in detention facilities in this country and Puerto Rico. Most have been held for a year.

Judge Spellman's order Tuesday set guidelines under which detainees would be freed in the custody of government-approved sponsors while hearings were held to determine whether each was entitled to political asylum or was simply seeking better living conditions and should be sent back to Haiti.

U.K. Seeks to Avert Pipeline Ban

LONDON — The Trade Department said Wednesday it has taken the first steps to enable it to prohibit British firms from complying with the President Reagan's extension of a ban on supplies for the Siberian gas pipeline project.

It said Trade Secretary Arthur Cockfield issued an order citing "U.S. re-export control regulations as measures which are damaging to the trading interests of the U.K."

The Trade Department said, "This purported application of U.S. law, outside U.S. jurisdiction is unacceptable to the U.K. government and in the government's view is unacceptable in international law." The department invited firms which consider they have been adversely affected by the U.S. action to make representations to the department.

Poland Ends Nightly Curfew

WARSAW — Polish authorities ordered an end Wednesday to the nightly curfew of midnight for adults and 9 p.m. for youths under 18.

The curfew was imposed May 4, one day after street riots in which police used water cannon and tear gas to disperse youthful demonstrators numbering in the thousands.

The riots took place after an earlier 11 p.m.-5 a.m. curfew, which had been in force since the beginning of martial law in December, was lifted on May 1.

Columbia Mission Is Nearly Flawless

CAPE CANAVERAL, Fla. — Columbia was flying an almost flawless mission nearly halfway through its final shakedown cruise Wednesday, and a NASA flight director said the shuttle is ready for operations on its next mission.

The astronauts, Capt. Thomas (Ken) Mattingly and Henry W. Hartsfield, were working a heavy test load. Flight director Harold Dranghofer was asked if the system was ready to go operational. "Yes, very much so," he said. "This flight has been most benign as far as systems performance, and any of the shuttle flights to date. We have no significant problems."

In California, 186 miles below, Challenger was rolling off the assembly line to become the second in America's fleet of space shuttles. By 1984 four ships will be ferrying commercial, scientific and military cargo to space.

Brutality Arrests Anger Italy's Police

ROME — Italy's police called angry union meetings and sent letters of protest to the government Wednesday following the arrest of five anti-terrorist officers on charges of mistreating members of the Red Brigades.

Five members of the special police that liberated U.S. Brig. Gen. James L. Dozier from a Red Brigades hideout in Padua on Jan. 28 were charged Tuesday with aggravated assault.

Reliable sources said that officials had to resort to threats of disciplinary measures to prevent street demonstrations by policemen in several Italian cities.

Swiss to Extradite Alleged Terrorist

LAUSANNE, Switzerland — The Swiss Supreme Court ruled Wednesday that a German woman, Gabriele Kroeker-Tiedemann, said to be linked to international terrorist Illich Ramirez Sanchez, known as "Cimarron," can be temporarily extradited to West Germany to stand trial for her alleged part in the bloody 1975 raid on the OPEC headquarters in Vienna.

Miss Kroeker-Tiedemann, 31, who is serving a 15-year Swiss term for the attempted murder of two border guards in 1977, had filed an appeal against the decision on the grounds that West German authorities were prosecuting her for political reasons. The court noted that she had not submitted any evidence showing that she had no role in the OPEC raid, allegedly masterminded by Carlos, a Venezuelan national, and in the 1977 kidnapping of an Austrian industrialist.

West German authorities say she is suspected of being a Red Army Faction terrorist nicknamed "Nada" who killed two people in the OPEC raid. Miss Kroeker will return to Switzerland after her trial in Germany to complete her Swiss sentence. She is due for release in 1983 at the earliest and also still has to complete an eight-year German sentence for the attempted murder of a policeman in 1973. She was freed two years later in return for the release of a kidnapped West German politician.

Zimbabwe Makes Arrests in Shootings

HARARE, Zimbabwe — Police have detained eight soldiers and an undisclosed number of civilians in connection with a shooting incident outside Prime Minister Robert Mugabe's home last Thursday, Home Affairs Minister Herbert Ushewokunzu said Wednesday.

Gunned down at Mr. Mugabe's official residence, damaging the entrance gates. There were no injuries. Later, when they fired at the home of Supplies Minister Enos Nkala, guards killed one of the attackers.

During the weekend, police raided black suburbs outside Bulawayo, where suspected anti-government armed dissidents were believed to have hidden.

Compiled From Agency Dispatches

Israel Is Said to Break Pact on Cluster Bomb

By Charles Mohr
New York Times Service

WASHINGTON — Some U.S. officials have said that Israel agreed in 1978 not to use U.S.-made cluster bomb units except in combat with two or more "Arab states" and that Israel's admitted use of the weapons in recent fighting with Syria and the Palestine Liberation Organization might constitute a violation of the agreement.

However, this would have little practical effect unless President Reagan made a formal legal finding that a violation was "substantial," or both Houses of Congress adopt a joint resolution declaring Israel ineligible to receive U.S. arms, both of which are thought doubtful.

Two Israeli generals have acknowledged in recent days that some cluster bombs were used by the Israeli forces.

U.S. officials said the 1978 agreement with Israel on use of these devices was the third such agreement reached, each one more tightly worded by the United States than the previous one. The agreement itself is secret, but several officials said it contained the plural description "Arab states."

Israel itself vigorously denies that the PLO qualifies as a nation state, and even Palestinian sympathizers tend to agree.

Cluster bomb units, the name for a type of weapon in which hundreds of bomblets are packed into a canister dropped from an aircraft. They were developed in the 1960s, and the earliest U.S. models employed in Vietnam used powerful bomblets with considerable power to kill personnel.

The legislation, approved by the Cabinet and assured of passage in the Socialist-dominated parliament, provides that the arrears of Paris would have increased power. Each would elect representatives to the city council, which then would elect a mayor. The mayor would no longer be elected by direct vote.

The city government has a right of majority. Under the proposed law, the left would benefit because of demographic differences in the arrears.

Paris Law Change Threatens Mayor

United Press

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law. Higher-yielding
seed varieties
are being sent
into the elevators
in Kansas, Oklahoma
and in such quantities as
to make meaningless
the government's
acreage reduction
program.
Wednesday, John R.
Block had
a speech
enough to prop up
wheat price
to be eligible
for price support
payments.
heat and cotton
farmers must
use their normal
plantings by 15
percent.
But barely 26 percent
of Harper
farmers
have
ready
qualify
for the federal aid
\$10 billion in costs
Congress has raised
price support
loan and subsidy rates
far as system
though less than half of the
wheat and cotton farmers reduced
their plantings enough to be eligible
for the assistance, such
space should be
with \$2 billion in milk
supports added, was
expected to cost
taxpayers at least \$10
billion in fiscal year 1983. The
total could reach \$11.5 billion, al
most twice the budget expectation.
As he waited impatiently for his
tents to dry, Clarence Martens
commented to the lush stands of
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Then he checked himself to say,
"No, they're fantastic. It's the
price that's disastrous. If I wasn't
getting 40 or 50 bushels to the
acre, I'd be losing my shirt this
year."

Staff Is Said to Rule House Military Panel

Autocratic or Just Strong, It Has Great Influence on U.S. Posture

By Richard Halloran
New York Times Service

WASHINGTON — The staff of the House Armed Services Committee is considered by its admirers to be among the strongest and most powerful committee staffs on Capitol Hill and by its critics to be among the most arbitrary and autocratic.

A senior military officer said admiringly: "Strong staff, weak committee."

A veteran congressional official differed, saying: "The staffers just run roughshod over the members."

Either way, there is widespread agreement that members of the committee's professional staff have more influence on military budgets, weapons and research and development than do members of the committee itself. That makes them among the most influential people in Washington in determining the military posture of the United States.

It is a mark of the staff members' influence that plenty of people in Washington were willing to talk about them, but no one, even admirers, was willing to be quoted.

The current chairman is Rep. Melvin Price, 77, Democrat of Illinois. A gentle and soft-spoken man, he is considered to be courteous and fair to the other committee members. But many feel that the staff director, John J. Ford, "is the de facto chairman of the committee."

Mr. Ford denied this and says that many people do not realize that "Mr. Price is a very good politician."

Turkey Expected To Be Summoned By Rights Panel

By Richard Halloran
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OSLO — France, the Netherlands, Sweden, Norway and Denmark were reported ready Wednesday to bring Turkey before the European Human Rights Commission for alleged political suppression and torture of prisoners by the current military regime.

Diplomatic sources said an announcement of the action may be made Thursday. There was no immediate confirmation here, but in Stockholm sources said a statement was imminent.

According to Norwegian newspapers, legal experts from the five countries, who met in Oslo earlier this month, have reached the conclusion that the available evidence offers a watertight legal basis for a case against Turkey.

The Human Rights Commission was created by the 21 nations of the European Council, a consultative assembly of parliamentarians based in Strasbourg. The commission watches over the European Convention on Human Rights and reports complaints to the Human Rights Tribunal and the Ministerial Committee for further action.

site Big U.S. Crop, but Farmers Worry about Prices, Exports

By Scott S. King
New York Times Service

ONY, Kan. — This is the year when Kansas usually is the state of the golden

crop. But this time the gold

is missing. Huge supplies

in the bins from last year's

record crop. That was enough

to meet a full year's needs, including exports.

Large World Crop

In addition, the forecasters are predicting that world grain production this year will equal last year's record of 772 million metric tons. They are saying this despite a Soviet grain crop that may drop to 158 million metric tons, the worst since the disastrous yield of 140 million tons in 1975.

But there was no comfort for Harper County farmers in the world crop prospect or the Soviet problem.

If the Soviet Union should decide to import as much as the record 44 million tons of wheat and feed grains it bought last year, American farmers would face serious competition from Canada, Australia and Argentina. Because American wheat prices are propped up by support programs, the major exporters may be able to undersell the United States, leaving it with another surplus.

These factors were depressing the prices that Harper County farmers were offered this week for their grain. That price was about \$3.50 a bushel. When the rest of the winter wheat harvest is completed late in July, Mr. Martens says he expects the price to drop at least 25 cents.

However far the price falls, Mr. Martens will be among the 26 percent of wheat growers in competition with the production goals. That is, because a hailstorm knocked down the required 15 percent.

Consequently, he will be assured of a \$3.55-per-bushel loan on his crop. If he allotted it to a grain reserve, he would get a loan of \$4 a bushel. He would not have to repay that loan until the market reaches \$4.65 a bushel. In addition, if the market stays at \$3.50 or below, he would be eligible for a subsidy payment of 50 cents per bushel.

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year." The national per-acre average is 37.

On June 1 there were more than 1.2 billion bushels of wheat in storage from last year's record 2.8-billion-bushel crop. That was enough to meet a full year's needs, including exports.

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Democrats: Onward, Tentatively

Iowans Exemplify Mid-Term Uncertainty of Party

By Martin Schram
Washington Post Service

WASHINGTON — Art Hedberg of Des Moines, who was big for Edward M. Kennedy in '80, has heard the call to battle again.

"I'm getting to be an old man," said the middle-aged attorney who was in the advance guard of the draft-Kennedy movement last time. "I don't know if I can do it again with him. I've never been in a campaign that lost so bad but had so much fun."

Another Iowan, David Manley, the county chairman from Mason City, observed: "I still like Kennedy, but I'm only learning. I want to take a good look at Gary Hart."

Yearning and Uncertainty

For all the talk of who won and who finished in what order in the presidential cattle show at the Democratic mid-term conference in Philadelphia last weekend, the uncertainty and fluidity of the presidential politicking to come was reflected in the 13 delegates from Iowa, the nation's first presidential caucus state. They will be among the nation's earliest decision-makers in 1984 and they left Philadelphia enthusiastic but uncommitted.

Mr. Kennedy, with his brilliantly constructed speech, also won additional support that perhaps he did not realize he had to win. This was from Chuck Gifford, of Iowa's United Auto Workers, who was instrumental in Mr. Carter's first victory in the state's 1976 caucus, but who became disillusioned and switched to Sen. Kennedy.

NEWS ANALYSIS

new faces and uncertainty about the electability of the front-runners they were celebrating.

Mr. Hedberg and Mr. Manley reflected this. And among the Walter F. Mondale backers was Melvina Scott.

She came to Philadelphia backing Mr. Mondale in 1980, and came close to political ecstasy when his speech captivated the conference on opening

doomed before it started. And that he faced the risk of being written off by the Democratic insiders who were supposed to be his strength if he could not score better with the party loyalists and officeholders at the mini-convention that he was in the polls.

And so the Mondale camp was duly enthused — and relieved — when their leader, who was not known for his dramatic flair, scored grandly on the opening day.

Sen. Kennedy's goal was to heal the wounds from his challenge to the party's incumbent president in 1980. He did that by praising Jimmy Carter in his speech. And he seemed to make progress toward that end in his private meetings with delegates as well.

But Sen. Kennedy, with his emotionally climactic speech, had brought her to the brink of conversion.

"Now they're both up there equally," said Mrs. Scott, an insurance agent from Waterloo. "I was going to divide my time between selling insurance and Mondale. Now maybe I'll sell insurance and Mondale and Kennedy too."

Mr. Mondale had the most to lose in Philadelphia. He was actually a front-runner by reputation only: After two years of traveling the country as a former vice president, he came out of the latest Gallup Poll as the presidential choice of only 12 percent of the Democrats polled — whomped by Sen. Kennedy, 45 percent, and just a few points ahead of the pack.

Even as the cheers echoed through the Philadelphia convention hall, a number of delegates expressed a yearning for



Edward M. Kennedy

and tired of this. I'm not a young man anymore.... I'm sick and tired of hearing platitudes from the candidates."

And after: "He buoyed me up again. I was apprehensive about another Kennedy effort because he took such a beating last time. But he seemed much more mature... a statesman."

The other five still have many months: John Glenn, whose fame still comes mainly from the trail in space he once blazed; Gary Hart, whose infatuation with issues and answers runs against the grain of traditional campaigning; and Ernest Hollings, Alan Cranston and Rubin Askew, who are still little known nationally.

Reagan Reportedly Will Allow Donovan To Remain in Cabinet

By Steven R. Weisman
New York Times Service

WASHINGTON — President Reagan has come to feel that Secretary of Labor Raymond Donovan's continuation in the Cabinet may be politically damaging to his administration, but that Mr. Donovan should be allowed to remain in his job, according to White House officials.

These officials said Tuesday that Mr. Reagan or the White House press office would likely announce Wednesday that Mr. Donovan will remain as secretary. One key aide said the president and his staff wanted to make an announcement quickly to avoid the appearance that the secretary was being allowed to "twist slowly in the wind" while political opposition to him builds.

A special prosecutor announced on Monday that he had found no evidence to justify charging Mr. Donovan for any crimes when Mr. Donovan was a New Jersey construction company executive and fund-raiser for Mr. Reagan's election campaign.

Fred F. Fielding, the White House counsel, was understood Tuesday to be close to completing his review of the 1,025-page report from the special prosecutor, Leo Silverman, who had been examining the allegations since last year. One official, referring to Mr. Donovan, said: "It looks like he's going to be all right."

Political Liability

In interviews, White House officials last week suggested that Mr. Donovan had become a political liability to the president and that they had agreed among themselves that it would be best if he stepped aside. They said they had not conveyed this view to the secretary, however.

On Tuesday, the officials said two things had changed since then.

First, as one official put it, "that was before we knew that the special prosecutor would come in with a totally clean bill of health for Donovan." Second, this official said, Mr. Reagan was determined not to be "swayed by arguments about what's good for him politically."

The president is evidently fair-minded about this," said an aide to Mr. Reagan. "He feels strongly that it is important that Ray Donovan get absolutely fair treatment."

Another knowledgeable official said that Mr. Reagan could not bring himself to ask Mr. Donovan to leave if Mr. Donovan continued to want to remain on the job. This official said the president's customary unwillingness to dismiss aides who had been loyal to him had been compounded by the unpopularity of the departure last Friday of Secretary of State Alexander Haig Jr.

Mr. Donovan's loyalty to Mr. Reagan extends back to the earliest days of his last presidential campaign, according to White House officials.

Ties to Democrats

Mr. Donovan had been involved in fund raising for some New Jersey Republicans, but had close ties to the Democratic Party organization in Hudson County and helped the Reagan team win support among key Democrats in New Jersey. Eventually he was credited by campaign associates with having

raised more than \$500,000 for the campaign, most of it in contributions of \$1,000 or less.

The special prosecutor's report said Monday that some subcontractors and vendors for the Mr. Donovan's firm, the Schiavone Construction Co., had felt pressured into making contributions to the Reagan campaign. But the report said there was no evidence of direct involvement by Mr. Donovan, and no evidence the federal election laws prohibiting corporate contributions to campaigns had been violated.

At fund-raising events in New Jersey, Mr. Donovan got to know both Mr. Reagan and his wife, Nancy, and impressed them with his effectiveness and loyalty.

TV Crews Found Alive in El Salvador

Reuters

SAN SALVADOR — Six television crew members have been found blindfolded but unharmed after falling into leftist guerrilla hands in fierce fighting near the town of Suchitoto, the army said.

Troops found the six men — working for NBC and Britain's Independent Television News — sitting close to the main Suchitoto-San Salvador highway Tuesday. The army said the journalists spent Monday night at an insurgent stronghold near Suchitoto after being held by the rebels.

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Hope for Missile Cuts

From THE WASHINGTON POST:

Ronald Reagan gambled in putting off for nearly 18 months his return to the strategic arms negotiating table. He figured to use the time to crank up a big arms-building program. What happened, however, was that large swaths of his public, American and European, became restless. As a result, although Mr. Reagan has been getting most of what he has sought so far in arms, he has had to mollify sentiment for a "freeze" sentiment that would hinder precisely the buildup he believes is essential to erase a putative Soviet missile lead and to make Moscow take his negotiating proposals seriously.

This is the context in which Mr. Reagan has been striding eagerly toward the table he turned away from earlier. He reached it Tuesday when START talks with the Soviets, aimed at the reduction rather than just the limitation of the nuclear weapons the two sides aim at each other, opened in Geneva.

The administration is not pleased to have the freeze movement on its back. It will be encouraged to hang tough to see whether Mr. Reagan can keep his public with him into 1984. Still, the pressure on the president may not be altogether a bad thing — and not simply because it may compensate for the departure of Secretary of State Alexander Haig, the leading administration proponent of a moderate reading of President Reagan's strategic policy. The president brought much of his difficulty on himself; it

took him about a year, for instance, to start adjusting his public utterances to political realities and to drop the impossible conditions he had set for resuming arms talks — namely, that Washington first close the perceived Soviet missile lead and that Moscow first reform its international conduct. Even now there is legitimate debate about the premise on which he is entering START.

The premise is that the Soviets have a "bulge," especially in the highly accurate land-based missiles theoretically suitable for a first strike. The administration hopes to induce Moscow to yield that advantage; in exchange it would force some part of its new weapons plans. The Kremlin takes another view, acknowledging its lead in the branch of special administration concern but arguing that Americans excel in branches of special Soviet concern and that overall the two sides stand at rough parity. Its negotiating stand reflects this no-bulge premise.

For all of the administration's anxieties about the peace movement, it does not appear to face anything like the opposition to SALT-2 that Ronald Reagan helped organize and rode to the White House. That means Mr. Reagan has the opportunity to test his negotiating strategy. In urging the Soviets to look carefully at his proposals, he promised to look carefully at theirs. Therein lies a basis for hope that, no matter how far apart the two sides are as they begin START, they can come closer as the talks go on.

Reagan's Caribbean Fizzle

From THE NEW YORK TIMES:

The air is running out of the Caribbean Basin Initiative, for three reasons: President Reagan and aides show little sign of caring; for that matter, the administration meekly yielded to sugar import quotas. The great initiative stalled in the Senate Finance Committee and is under attack from many sides.

Caribbean leaders still expect deals to match Reagan's words. Their need is underscored by the plight of Costa Rica, an insolvent yet stable democracy. The country's troubles stem from its own mistakes and from sinking coffee prices, soaring energy costs and the liberality of foreign banks, to whom it now owes \$2.2 billion.

In Washington last week, President Luis Alberto Monge heard the usual pieties about hemispheric solidarity. Maybe he will be helped before he must settle accounts with the International Monetary Fund. Congress in fact took the unusual step of expressly earmarking \$20 million as emergency aid to Costa Rica last winter. But the money has yet to be disbursed; what was meant as a gesture of solidarity is now hostage to the IMF deal.

If President Reagan really cares about the region, he has about two months of legislative time in which to prove it.

Other Editorial Opinion

An Urgent Job for Shultz

The message behind [Tuesday] night's communiqué from the Europeans is plain and probably the better for its plainness: The components of the Western alliance are drifting apart. Mutual distrust, straight nationalism and economic nationalism bred of economic fear are coming between them and are threatening the principle of free and fair trade on which their unrivaled prosperity was once based. This is a consequence which the unpleasant process of eradicating Western inflation, of reconciling Western expectations with Western economic performance cannot be allowed to have; and that is why the "genuine and effective dialogue" urged in the communiqué is the most pressing duty facing the new U.S. secretary of state.

—The Financial Times (London).

In suitably diplomatic language, the Europeans are telling President Reagan that he is not only failing to keep his side of the verba summa bargain but is also riding roughshod over his allies' economic interests. Europe and America are now on the brink of a potentially grave breakdown of trust. American economic policies are helping to prolong a recession which is in turn undermining — as the steel case shows — the free trading system to which the West is supposedly committed. President Reagan had better wake up quickly. If he continues to act as if America were an economic island, he will rapidly find that it has become one.

—The Guardian (London).

After Haig's Departure

[A current] reassessment of American Middle East policy may lead to a new American understanding of the present dangers and the importance of prompt remedies.

—Radio Saudi Arabia

President Reagan's foreign policy has so far proved to be a confused stumbling from one issue to the next, and the surprising change of secretary of state does not strengthen belief that the world's mightiest nation will adopt an orderly and wise foreign policy.

—Helsingin Sanomat (Helsinki).

We doubt that Mr. Shultz will have much disagreement with the president's tough line toward the Soviet Union. Both know a bit

about bargaining from their labor relations days. Both are likely to see clearly that the Soviets have yielded almost nothing to our complaints about repression in Poland and meddling in Central America. On economic affairs, both are essentially non-interventionist. Mr. Reagan tilts toward Israel and Mr. Shultz is said to tilt toward the Arabs, but that is not necessarily a bad thing when you consider that the United States has had a consciously ambivalent foreign policy toward the Middle East for years. At any rate, both must know there can be no solution to the present Lebanon crisis without Israel's agreement, given its formidable military presence on the ground and its vital security interest.

—The Wall Street Journal (New York).

A Lesson for Argentina

Argentina's share of the Falkland aftermath is a textbook example of the shocking consequences that ensue when political and military power are concentrated in a single hand. Whether the country will draw all the appropriate conclusions from the lesson seems questionable when the public rejoicing that accompanied the start of Galtieri's adventure is recalled. But once the emotions have cooled, Argentina and its policies are unlikely ever to be quite the same again.

—Neue Zürcher Zeitung (Zurich).

Spooks Flee the Condos

Apartment dwellers who have suddenly been forced either to buy their apartments or find somewhere else to live aren't the only people affected by the condo craze. The FBI is hurting, too. It says it has had to move out of many of its secret apartments, which it uses to monitor the activities of foreign agents, because they have been converted to condominiums. The problem is especially acute in cities like New York, Washington, Chicago and San Francisco, where there are high concentrations of foreign agents. In some cases, the foreign agents have bought the same apartments the FBI has vacated.

—Scripps Howard Newspapers.

JULY 1: FROM OUR PAGES 50 AND 75 YEARS AGO

1907: Bathing Suits in New York

NEW YORK — Bathing suits may be worn in New York, anywhere in Broadway, Fifth Avenue or Coney Island. This is the official reply of the corporation counsel, Mr. Ellison, to Police Commissioner General Bingham's inquiry on behalf of the Rockaway Taxpayers' Association, which asked him "How far can bathing suits go in the area of use and as to the material, as a legally sufficient costume?" The police are not censors of public morals, says Mr. Ellison, and citizens can dress as they please as long as their attire is not a disguise or a breach of public decency. Meanwhile, the street cleaning strike is still serious and garbage heaps are appearing in the West Side residence district.

1932: Prince Advises the Empire

LONDON — The Prince of Wales, confined to bed under doctor's orders with a chill in the stomach, was unable to attend the Canadian Dominion Day dinner here at which he was to have made the principal speech. His speech, however, was read by Prince George and proved a surprise in that the Prince of Wales appeared to take sides publicly in the matter of domestic and imperial policies. He considered the question whether at the Ottawa conference Great Britain should strive for an empire economic bloc with a high tariff wall against the rest of the world, or merely seek a mildly preferential agreement leaving the way clear to extend trade outside the empire. The Prince took the latter view.

So Who's in Charge Now?

By James Reston

WASHINGTON — You don't have to be a great admirer of Al Haig to recognize that he was virtually insulted out of the State Department. In some ways he asked for it, and maybe he should have been fired or never hired, but the way they got rid of him was shabby.

Small incidents sometimes tell big stories. On President Reagan's recent trip around Europe, where Haig is more popular than he is at home, it was made clear to him by trivial sights that he should stay out of the president's line of sight.

The purpose was clear and fair enough. This was the president's first trip to Europe and his staff did not want him to appear in Haig's shadow. The point is so obvious that you would assume it might have been handled with a word to the secretary, without relegating him to an inferior position on the president's plane or excluding him from the reception lines.

Haig's mistake — he had made it from the beginning — was to take these incidents as an affront to him personally and the authority of his office. It is a very old tragedy in Washington: People fail in politics and the press when they begin to think they are what they, for a short while, merely represent.

But this dodges the main point. There were differences in the adminis-

tration about how to handle the war in the Falklands and Lebanon. The president didn't handle them. And knowing that he wouldn't or couldn't, Reagan's principal aides went off on their own.

While Haig was insisting that the Israeli invasion of Lebanon, no matter how brutal, might finally lead to the destruction of the military presence of the PLO in Beirut and the possibility of a negotiated settlement of the Palestinian problem, the vice president and the secretary of defense were in Saudi Arabia denouncing Israel. The new head of the National Security Council, Judge Clark, was giving the same message to the Saudi ambassador in Washington.

The same problem existed over U.S. policy on the Soviet-European gas pipeline. At the European summit meeting, President Reagan did not tell the allies what he proposed to blacklist U.S. companies or their European licensees who cooperated in the pipeline project.

But with Haig out of town seeing Andrei Gromyko in New York, the president brushed aside the State Department's argument that this would infuriate the allies without hurting the Soviets. So Reagan ordered the embargo, just a few days before starting to try to reach a strategic nuclear arms agreement with Moscow.

One line runs through all this tangle of personality and policy and ends up in the Oval Office: The human and political problems were never faced with candor or even with courtesy, only with nonchalance.

The irony is that President Reagan's staff manipulated all this in the hope of making the skipper look presidential — and ended up by making him look ineffectual.

Clark gave the Saudi ambassador his view of the Lebanon crisis. Vice President Bush told the Saudis what he thought of the invasion of Lebanon. Haig, who believes in lines of command, offered to resign — precisely what the Californians in the White House expected and wanted.

This was all very clever, but now that Al Haig is gone, what is left? Wally Stoeszel, the deputy secretary of state, will be leaving at the end of the year, as promised. George Shultz has asked Larry Eagleburger, the undersecretary for political affairs, to stay on, and Eagleburger, as usual, has agreed. But the problem remains.

The president may be more "comfortable" with Shultz than with Haig, and now more "in charge" of foreign policy with his California buddies. But, as we say around here, at the changing of the guard, what will he do since he is now "in charge"?

The New York Times

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INSIGHTS

Mexico's New President Is Sole Certainty In Unknown Political, Economic Future

(The question is not who will win: Miguel de la Madrid Hurtado is sure to be elected president of Mexico on July 4 because the country's political custom dictates that the incumbent's chosen successor is always elected. The question is: What will the new administration mean to Mexico's depressed economy, its Caribbean influence and its relationship with the United States? In an excerpt from The New York Times Magazine, Times Mexico bureau chief Alan Riding outlines the causes of Mexico's financial woes, traces Mr. de la Madrid's political career and assesses what effect the new president, who has a less parochial view of the world than his predecessors, "will have on his country's foreign and domestic policies.)

By Alan Riding
New York Times Service

MEXICO CITY — The crowd of miners and peasants waited patiently all afternoon as the desert sun inched across an azure sky and disappeared behind the barren mountains that surround Concepcion del Oro. Then suddenly, through the crowd, bodyguards guided a handsome man with warm eyes and graying temples as people jostled him good-naturedly. Finally reaching the speaker's stand, he looked past flags and banners to a horizon of faces straining for a glimpse of the man almost certain to become Mexico's next president.

Then, his deep, amplified voice echoing across the town, Miguel de la Madrid Hurtado spoke, saying that Mexico is still an unequal society, promising to fight for greater social justice and asking the crowd for its vote in the national election being held Sunday, July 4. (There are six other long-shot candidates.)

From the town plaza, Mr. de la Madrid went to yet another meeting in a nearby school, where a panel of local citizens expounded the problems of this and region 400 miles northwest of Mexico City. "We're fed up with engineers and doctors and technicians who offer solutions that we never see," Catarino Lara told him. "We don't want more promises and more studies. We're sure there are resources to rescue us from our poverty." Other complaints and suggestions followed and, for two hours, Mr. de la Madrid took notes but did not speak.

"The country demands change," Mr. de la Madrid has said. "I will obey its mandate. But, in practice, what will this mean?"

Urgent Question

The answer is crucial not only to the country's 73 million inhabitants but also to the United States, which, after decades of neglect, now recognizes its southern neighbor's strategic and economic importance, and to the convulsed Caribbean region, where Mexico's influence has increasingly been felt in recent years. And the question has gained particular urgency over the past four months as an oil-primer boom has tumbled Mexico headlong into a deep economic crisis that has shaken

domestic confidence in the country's legendary political stability.

Yet, in a political system where each president is enormously powerful while in office but cannot seek re-election, hope is somehow reborn every six years. And as public attention shifts from President José López Portillo, Mr. de la Madrid has begun to project a new and different image across the country: The Institutional Revolutionary Party that has ruled Mexico without interruption since 1929 is once again offering change so the system, paradoxically, can survive unchanged.

Among the half-dozen ministers in the outgoing administration who aspired to the presidency, Mr. de la Madrid was the one most identified with Mr. López Portillo's policies. But such is the power and responsibility of each incumbent that Mr. de la Madrid, even though he held the post of minister of planning and budget, has largely escaped blame for the current economic crisis. His aides insist that he cautioned against some of the policies that led to Mexico's recent economic crunch, but excuses are unnecessary: Mr. de la Madrid will be judged only after he steps out of the shadow of his predecessor and takes office on Dec. 1.

Of provincial middle-class background, Mr. de la Madrid studied law at Mexico's National University, then immediately began a career in government, working for state-run banks. Mr. de la Madrid, who received a master's degree in public administration from Harvard University in 1965, subsequently went to the Finance Ministry, where, in the early 1970s, he served under Mr. López Portillo, who was then finance minister. He began in the current administration as an obscure undersecretary of finance; only in 1979 did he become Mexico's chief economic planner, assigned to prepare a strategy of administering Mexico's new oil wealth.

Unhappy Politicos

In the process, Mr. de la Madrid became Mr. López Portillo's closest economic adviser. His reputation remained that of a conservative, politically inexperienced technocrat with many friends in the private sector. When Mr. López Portillo exercised the prerogative of outgoing presidents and chose Mr. de la Madrid as his successor, the old party politicos were decidedly unhappy.

Still only 47 years old, 15 years Mr. López Portillo's junior, Mr. de la Madrid is a member of an entirely new generation of officials who came of age in the 1950s, when the fervor of the Mexican revolution survived only in slogans. Despite his provincial upbringing, Mr. de la Madrid, who will become the first Mexican president to have studied in the United States and to speak fluent English, has a less parochial view of the world than many of his predecessors.

Mr. de la Madrid appears to be disciplined and austere. He has a reputation for scrupulous honesty and, while living comfortably in a colonial-style house in Mexico City's suburb of

Coyoacan, he has never displayed a taste for the trappings of wealth and power so common among Mexican politicians. Some observers recall, though, that President López Portillo also began simply.

Mr. de la Madrid's campaign has been, by his own admission, an educational process. "When people say they have no drinking water, that at times they must share water with animals, when you realize the indices of infant malnutrition and sickness in depressed zones, obviously you have an emotional reaction," he said. Consequently, he has promised a much stronger commitment to social change than many political analysts had anticipated just a few months ago. In the course of his campaign, Mr. de la Madrid has spoken about the many tasks ahead of Mexico, but although he promises greater democracy, a major tax reform and decentralization of power away from Mexico City, he has as yet no specific programs.

Nervous Mood

The mood of Mexico continues to be one of extreme nervousness. "We are passing through an economic crisis," noted Mr. de la Madrid, who has stated that his top priority will be curtailing inflation, "but the worse is that it is provoking disheartenment, skepticism or indifference and, at times, indignation and irritation." In reality, he believes this "phenomenon of social pathology" is limited to the urban middle and upper classes.

Oil, Mexico's blessing and its curse, is largely to blame. During the López Portillo administration, proved hydrocarbon reserves rose elevenfold to 72 billion barrels, and daily production tripled to 2.4 million barrels. Yet, to maintain growth in a sellers' market, the state oil monopoly, Petróleos Mexicanos, invested more than it earned. With oil in the ground and beginning to bubble up, though, foreign bankers were happy to make loans to Mexico that, by the late 1970s, had one of the few expanding economies in the world. Gradually, the economy became addicted to oil.

The softening of the world oil market last summer came as a shock. The foundation stone of Mexico's boom had shifted and confidence was shaken. Suddenly, a flight of capital began, stimulated by an overvalued peso. The loss, though, was made up by foreign loans. In 1981 alone, the government's foreign debt increased by \$18 billion to \$52 billion, which, when added to a \$20-billion private foreign debt, placed Mexico alongside Brazil as one of the world's most indebted developing nations. By early February of this year, the hemorrhaging of dollars was out of control and, on Feb. 17, just two weeks after promising to fight for the peso "like a dog," President López Portillo ordered the Bank of Mexico out of the money market, and the currency immediately plummeted.

Yet the nation's current economic turmoil cannot obliterate the achievements of the past five years. Most important is the creation of

some 4 million new jobs, clearly the regime's principal contribution to social justice.

Industrially, the results were more impressive. Oil-refining capacity doubled, petrochemical production tripled, steel output increased by 50 percent, generation of electricity by 70 percent and production of fertilizer by 90 percent. And, even if Mexico now takes one step back, its economic infrastructure has been greatly strengthened for any future steps forward.

Malnutrition Increases

Growth, though, has not meant improved living standards for most Mexicans. For the mass of unskilled workers and peasants — that is 45 percent of the labor force described as "underemployed" — inflation has eroded real wages, and most consider themselves worse off than five years ago. Indeed, malnutrition has increased in rural areas. Although the López Portillo administration created an ambitious program to guarantee drinking water, basic foods and health care for the country's poorest, social conditions in much of Mexico remain inadequate.

Mexico, though apparently hypnotized by its domestic troubles, has gained a world stature that the incoming government is unlikely to surrender. With oil, Mexico gained clout. In 1980, it took a seat on the United Nations Security Council for the first time since 1946 and became identified with the struggle for world economic reform that led to the North-South summit meeting at which Mr. López Portillo was host in October in Cancún. After a difficult adjustment period during the Carter administration, marked by frequent bitter clashes, President Reagan has begun to treat Mexico with the attention and respect that it had long sought from Washington.

Nowhere, however, was Mexico's new influence more felt than in its Central American backyard. Two months before the July, 1979, Nicaraguan revolution, it broke relations with the Somoza dynasty; then, almost protectively, it lavished the new Sandinista regime with economic aid and political support. Arguing that revolution was also inevitable in El Salvador, it gave succor to that country's guerrilla-led opposition. And, insisting that leftist movements should be co-opted by the West rather than surrendered to the Soviet bloc, Mr. López Portillo established a close relationship with the Cuban leader, Fidel Castro. In February, the Mexican president even offered to act as a "communicator" between the Reagan administration and Cuba, Nicaragua and the Salvadorean left.

New Challenges

Even with the shine off its oil boom, Mexico's economic weight cannot be ignored. It is now the third-largest U.S. trading partner, with \$35 billion a year in exports and imports; it has the world's fourth-largest oil production and fifth-largest hydrocarbon reserves; it ranks 13th among the West's industrial powers — and it owes \$72 billion abroad. Further, in the



Miguel de la Madrid Hurtado

on these problems without poisoning their relationship.

The real importance of the change of Mexican administrations to Washington, though, will not be in foreign policy. Nor is the fundamental U.S. security interest to be measured by its access to its neighbor's huge oil resources. Rather, sharing a 2,000-mile border, Washington's single overriding priority must be to bolster Mexico's domestic stability.

And now, more than ever, in areas of credit, trade and migration, Mexico is vulnerable to moves by the United States that could delay its economic recovery and bring unwelcome political repercussions. Mr. Reagan showed understanding by purchasing Mexican oil for the U.S. strategic reserve after Mexican oil exports fell sharply last year. And, following his election, Mr. de la Madrid will almost certainly visit Washington in search of similar understanding. A helping hand to the incoming Mexican administration would, therefore, be an act of self-interest by the United States as well as a guarantee of future good relations.

Mexico's relations with the United States are both complex and institutionalized. Numerous bilateral issues — fishing rights, trade and illegal Mexican aliens — await solution, while Central America remains a permanent point of contention. But the close friendship between President Reagan and Mr. López Portillo, evidenced by four separate meetings last year, has enabled them to "agree to disagree"

Wave of Applicants for Political Asylum Flooding U.S. Immigration Bureaucracy

By Carlyle Murphy
Washington Post Service

WASHINGTON — Thirty-six Nicaraguan men, women and children walked across the Mexican border into Texas without benefit of visas one day recently. Instead of hiding from U.S. immigration officials, they headed straight for the U.S. Border Patrol office in McAllen, turned themselves in and asked for political asylum.

Just two weeks earlier two Polish stowaways had emerged from crates on the docks of Baltimore. Haled before immigration authorities, they filed for political asylum.

Almost daily, Salvadorans living illegally in the United States appear at deportation hearings; increasingly, they ask for asylum. And 2,000 Haitians now being detained say they intend to do the same when their hearings are held.

Asylum Requests Up

More people are requesting political asylum than at any other time in U.S. history. A record number of applications — more than 105,000 — is now on file with the U.S. Immigration and Naturalization Service. Until just two years ago, when Congress significantly broadened the eligibility requirements, the average number per year was around 2,500, according to an Immigration Service spokesman.

Numbers are not the only change. Once primarily a passport to the United States for the disaffected elite of Communist countries, political asylum, which enables a foreigner persecuted in his homeland to circumvent U.S. immigration laws and remain here indefinitely, is now being requested by citizens from all walks of life and a wide range of countries.

The flood of requests has added a new element to the already controversial debate over the nation's immigration policy. Some federal officials charge that many requests are being filed solely with the motive of gaining time for illegal immigrants who would ordinarily be deported.

"Political asylum is being used as a ploy to obtain additional time to remain in the U.S.," said Kellogg Whittick, the Immigration Service's district director for Washington, D.C., and Virginia. "Even if these claims are very weak, they have to be given consideration. And while the case is being assessed, they the individuals requesting asylum are given time in which to file for political asylum."

The bureaucratic machinery dealing with asylum applications has "completely broken down" because of the increased workload, says one Justice Department official, causing long delays in getting responses to applications.

Asylum Process Scrutinized

It also has brought closer scrutiny of the asylum process by civil rights, minority and congressional groups, some of which charge that an objective review of asylum petitions and the human rights of an individual sometimes are overridden by the dictates of foreign policy.

Specifically, critics mention a "pattern of denial of asylum" for Haitians and Salvadorans because the U.S. government supports both those governments.

"It's embarrassing [for the United States] to call people from 'friendly governments' refugees," said Steven Horblett, local legislative aide.

Mr. Horblett also charges a racial motive for a long delay in adjudicating Ethiopian asylum petitions, some of which have been pending since 1977.

someone seeking asylum. Under that definition, anyone who can show a "well-founded fear of persecution on account of race, religion, nationality, or membership in a particular social group or political opinion" is eligible for asylum or refugee status in the United States.

"For the first time in our history, the U.S. has become a country of first asylum on a mass scale," said Dale Schwartz, national secretary of the American Immigration Lawyers' Association. "We used to be a place where, except for the isolated instances of a Soviet ballet dancer or a seaman jumping ship, refugees applied somewhere outside the U.S. and came here in an orderly fashion ... But we never anticipated that nearby nations like Cuba, Haiti would become unfriendly or that conditions there would become such that hundreds of thousands of people would flee or want to come to the U.S."

In theory, someone seeking political asylum differs from a person seeking refugee status only because he or she is already in U.S. territory. But in practice, this gives asylum-seekers a distinct advantage. A person asking for refugee status overseas has a one-shot chance at an interview with an Immigration Service official, whose decision cannot be appealed. Moreover, there are yearly refugee quotas set by Congress.

State Department Advisory

A person seeking asylum, however, makes his request to a local Immigration Service director who asks the State Department's Bureau for Human Rights and Humanitarian Affairs for an "advisory opinion." Although the State Department's reply is invariably followed by the Immigration Service, officials say.

If the request for asylum is turned down, the applicant can appeal it through several layers of the Immigration Service bureaucracy and eventually challenge it in the federal courts. If that is the money and time to do so. And there is no limit on the number of persons who can be granted asylum in one year.

More important, an applicant cannot be deported while his petition is being considered. "You just don't move a person with an asylum application pending," said one Immigration Service official, whose decision cannot be appealed. Moreover, there are yearly refugee quotas set by Congress.

For the claims involving U.S. citizens, Mr. Levitsky says: "We give asylum based on the knowledge of what happens to people when they go back, and we know that a Soviet who wanted to defect and went back would be persecuted."

Immigration Policy Revised

Population increases, lack of economic opportunities in poor countries, revolutions, invasions and wars have all contributed to the surge in applications for asylum. But the main reason is a change in immigration law enacted by Congress two years ago.

Under the old law, asylum covered only persons fleeing from the Communist bloc or the Palestinian-Israeli conflict in the Middle East. For anyone in these categories, asylum was virtually automatic; for anyone else, it was next to impossible.

In 1980, Congress redressed this bias as part of a comprehensive overhaul of refugee legislation. Political asylum was opened to all nationalities by incorporating into U.S. law the United Nations definition of a refugee, or

California Surf's Up, So Are Tempers

By Judith Cummings
New York Times Service

MALIBU, Calif. — The waves are not the only things that clash on California's beaches. So, sometimes, do the surfers.

A version of the Western range war has sprung up on Southern California's prime beaches, a sort of surfers' turf dispute whose antagonists are mainly locals, who live near the beaches, and inlanders, who do not. In Malibu, "inlanders" translates to "the valleys," a term for young suburbs from the San Fernando Valley.

"There's too many people on the waves," said Dave Radford of Malibu, who struck a powerful figure emerging from the surf the other day toting a board decorated with the word "aggression."

"If they don't live around here, they shouldn't surf around here," he said. "People pay high rent to live here and surfing is the reason for it."

The source of the friction is that surfing popularity has grown to the point that demand for good waves exceeds the Pacific Ocean's supply.

"Valleys Go Home," warns beach graffiti. Radin stations play "My Wave," a tongue-in-cheek look at localism by a group called the Surf Punks.

Good Surf or Bad

A spokesman for the lifeguards division of the Los Angeles County Department of Beaches, where most surfing is practiced, put the number of surfers at 100,000. However, more than number and territory are involved in the conflict — there are also matters of style, dedication, dues-paying and age.

Locals contend that they pursue the sport day after day, in good surf or bad, patiently waiting for the right wave. The valleys, they

complain, drive out to the beach only on good days and then hog the best waves.

The valleys, in turn, tend to dismiss the beach residents as spoilt rich kids who would not recognize a "360," from an "off the lip."

There are two of the fancier maneuvers, one calling for circling down and up again on the face of a breaking wave, the other for skittering the board to the lip of a wave and diving, still on the board, precipitously down the dropoff.

Back in the good old days, the 1960s, the very image of a California surfer was of a lone rider mastering a plunging breaker, at one with sea and sky. Now a new breed has hit the waves: aggressive, competitive and equipped with 5½-foot boards that are to all old nine-footers what Porsches are to Cadillacs.

Third Point at Malibu, a quirky spit of sand that helps the waves break just right, is one of the hottest spots on the Southern California coast. Dave Radford works nights as a computer operator and his roommate, Larry Stevens, works weekends, just so they can have their days free to surf the Point. They share an apartment on the Pacific Coast Highway.

Ron Goad and Brian Courtney, from Sherman Oaks and Tarzana, view "surfing the Point" from a Valley perspective.

"The valleys are the better surfers," Mr. Courtney said. "The guys that live here are little rich kids. They just stand on a wave. We do turns and maneuvers. Takes good skill. If an old guy on a long board comes up to Third Point, we get ticked off."

Sometimes the dispute takes on a nasty edge, usually at the isolated spots favored by the elite. Surfers tell of incidents at Malibu, for example, and at Palos Verdes and Oxford. Fights have been known to break out,

"And bring nice chicks," one of his friends said.

These changes will, give the system a chance to work, and will be doing good for those people who have genuine claims," says David Hiller, a senior Justice Department official. "It will separate them from those who are essentially gate-cr

BUSINESS / FINANCE

THURSDAY, JULY 1, 1982

BUSINESS BRIEFS

Mannesmann Sees Improved Results

DUESSELDORF — Mannesmann said Wednesday that it expects its 1982 results to exceed those of 1981, when the company had group profit of 272 million Deutsche marks (\$110 million) on external sales of 15.4 billion DM.

The steel, pipe and machinery maker's managing board chairman, Egon Overbeck, said at the annual meeting that Mannesmann considers it possible to pay a dividend on its 1982 results at least matching the 6 Deutsche marks it paid on its 1981 results.

Mr. Overbeck also said West Germany's current export boom is due to the weakness of the mark. Since 1975, he said, the mark has depreciated about 5 percent in real terms against the currencies of West Germany's 23 main trading partners. He asserted that the country is no longer as attractive as it was for foreign investors because West German productivity has not kept up with that in certain other countries, including Japan and France.

Continental Gummi Reports Profit

HANOVER, West Germany — Continental Gummi-Werke had a profit in 1982's first half, and earnings and sales in all divisions rose from year-earlier levels, the company's executive chairman, Helmut Werner, said at the annual meeting Wednesday. He gave no figures.

Mr. Werner also declined to forecast results, saying any projections would be hedged with considerable uncertainties. In 1981, the tire maker had parent company profit of 600 million Deutsche marks (\$244 million), down from 13.5 million DM in 1980, and omitted its dividend.

BMW Expects Satisfactory '82 Profit

MUNICH — Bayerische Motoren Werke expects satisfactory earnings for 1982, the automaker's executive chairman, Eberhard von Kuenheim, said at the annual meeting Wednesday.

He said that group sales in the first half rose 30 percent from a year earlier to around 6 billion Deutsche marks (\$2.42 billion) in the first half and that turnover for the full year is expected to exceed 10 billion DM, up from 9.5 billion DM in 1981. First half production and sales rose 11 percent to about 200,000 cars, and exports rose by more than a quarter, he added.

For 1981, BMW reported group profit of 144.4 million DM and parent company net profit of 145 million DM in 1981.

Boustead to Acquire Unit of Getz

SINGAPORE — Malaysia-based Boustead Holdings said Wednesday that it has agreed to acquire 70 percent of Getz Corp. (Malaysia), a subsidiary of Getz Corp. of the United States. The price, to be based on the audited asset value of Getz Malaysia as of June 30, is not expected to exceed 2 million Malaysian ringgit (\$845,000), Boustead said.

Compiled From Agency Dispatches

EEC, Bowing to the U.S., Agrees To Raise Rates on Export Loans

By Philip Stephens

Reuters

LUXEMBOURG — European Economic Community governments agreed Wednesday to a new set of export credit rules, pushing up interest rates on government-backed loans to poorer countries.

The 10 EEC states also bowed to U.S. pressure for additional increases in the charges on trade credits financing exports to the Soviet Union, East Germany and Czechoslovakia.

End of Dispute Seen

Belgium's finance minister, Willy de Clercq, who led a meeting of EEC finance ministers in Luxembourg, said they had accepted with minor modifications a plan offered by the Paris-based Organization for Economic Cooperation and Development.

Diplomats said the decision should end months of wrangling among the 22 rich nations in the OECD. That dispute had threatened to start a credit war.

The decision also should ease trade tension between Europe and the United States.

Washington has long insisted that interest rates on export credits — government-subsidized loans used to promote overseas sales — should be brought more into line with commercial realities. But France and Greece had up to now blocked EEC acceptance of the higher rates sought by Washington.

Oil Analysts Expect Stable Prices Will Persist

OPEC's Claim That It Has Turned the Market Around Is Challenged

By Douglas Martin

New York Times Service

NEW YORK — Oil prices have been consistently soft over the past month, despite Israel's invasion of Lebanon, Iran's advances in its war against Iraq and the death of King Khalid of Saudi Arabia — all factors that might have sent prices soaring a few years ago, when oil was perceived as much less plentiful.

"There is a lot of new confidence among buyers that oil is available whenever it's needed," said John H. Lichibau, executive director of the Petroleum Industry Research Foundation.

Indeed, declarations by OPEC that it has turned the oil market in its favor by putting limits on production are beginning to sound hollow, industry officials and independent analysts say. They note violations of the new quota system and substantial new supplies from non-OPEC producers.

Despite minor price increases imposed recently by Iran and some U.S. producers — about \$1 per 42-gallon barrel — the analysts say they believe the oil market is mired at its current level and will be for some time. They attribute the stagnation to plentiful supplies, business decisions to draw down inventories and a drop in the use of petrochemical products.

"It's a thin market, a pretty dead market," said Marshall Thomas, markets editor of Petroleum Intelligence Weekly, a trade publication.

Since the OPEC meeting in Quito, Ecuador, in mid-May, the spot price of a barrel of the light crude used as a benchmark by OPEC

Costa Rica Battles To Avoid Collapse

By Alan Riding

New York Times Service

SAN JOSE, Costa Rica — Less than two months after inheriting a virtually bankrupt economy, Costa Rica's new government has begun introducing a series of belt-tightening measures, including across-the-board price increases in an attempt to lift the country out of its worst economic crisis in 30 years.

The measures, which will bring increased unemployment and a sharp contraction in the economy, have been demanded by the International Monetary Fund in exchange for a \$100-million standby credit. Foreign banks, in turn, are awaiting the IMF agreement before they begin to renegotiate their own huge debt with Costa Rica.

"This country is going to become very sad and dry," said Carlos Mafuel Castillo, president of Costa Rica's central bank, referring to the impact of the austerity program. "People still have no idea how difficult things are going to be."

But President Luis Alberto Monge, who visited Washington last week in search of increased economic support from the United States, appears to have resigned himself to presiding over the erosion of the country's comfortable living standard.

While the previous administration of Rodrigo Carazo Odio is blamed here for both causing the crisis and for then failing to deal with it, officials are bracing for increased labor unrest and political discontent. "We still haven't found a way of distributing the burden of the recession equitably," Mr. Castillo conceded.

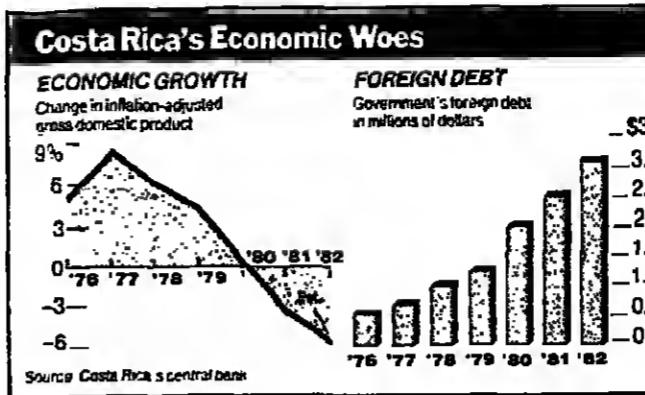
The roots of the crisis lie in the country's past practice of consuming more than it produced, importing more than it exported — and borrowing abroad to make up the difference.

When increased world oil prices were followed by high interest rates and the slump in the market price of coffee, which is Costa Rica's main export, the government suddenly was unable to keep up payments on its foreign debt, which now stands at \$3.2 billion.

Since July, the government has paid neither interest nor principal to its private foreign creditors, who are owed about \$1.4 billion, although some multinational agencies, such as the World Bank, have received interest payments. Further, with no reserves available to support the local currency, the colone, the street value of the dollar has rocketed from 8.60 colones to 62 colones in just 20 months.

The Carazo administration, however, repeatedly refused to take the measures recommended by the IMF to stabilize the economy. And, over the past six months, as the crisis worsened by the day, both the fund and foreign banks suspended relations with President Carazo and awaited Mr. Monge's inauguration May 8.

Since then, talks have resumed. At a June 7 meeting in New York with a 10-member steering committee representing some 150 private banks, Costa Rica offered to make symbolic interest payments to demonstrate the determination to meet its obligations. On July 15, the first \$6 million



worth of interest is scheduled to be paid.

Last month, a technical mission from the IMF visited Costa Rica. Government sources in San Jose hope that a letter of intent can be signed with the IMF by the end of July and that formal agreement on the standby credit will be concluded by late September.

Anticipating the IMF's demands, the Monge administration has already moved to reduce the public sector deficit by sharply increasing the price of public utilities — gasoline by 80 percent, electricity by 71 percent and water by 90 percent — and cutting spending by 10 percent. New taxes are also planned.

But there also are areas of potential disagreement. The IMF, for example, wants the government to raise domestic interest rates to levels closer to the inflation rate, which last year was 65 percent and this year is expected to be 90 percent, but Mr. Castillo insists, "We think it's madness to chase inflation with interest rates."

The fund also wants a strict wage policy, although real wages have already fallen by 33 percent over the past two years.

At the same time, officials recognize that the agreement with the IMF is indispensable and they are looking for ways to cushion the social impact of the austerity program.

With unemployment and underemployment now standing at 20 percent of the work force, an emergency plan to hand out food to the jobless will begin Aug. 1. A reduction in the size of the bureaucracy has also been postponed until 1983, while the state-run banking system has been

(Continued on Page 9, Col. 2)



Rodrigo Carazo Odio

... Takes the blame

Key U.S. Indicator Of Economy Is Up For Third Month

Compiled by Our Staff From Dispatches

NEW YORK — The government reported Wednesday that its index of leading economic indicators had risen to May for the third month in a row, and Wall Street and Washington reacted with cautious optimism.

The May increase — 0.3 percent — followed revised increases in the index of 1.3 percent for April and 0.2 percent for March. The department, which regularly reviews and revises the index for previous months, had originally reported an increase of 0.8 percent for April and a drop of 0.5 percent for

May. The leading indicators are designed to forecast future trends in the economy.

Government officials have been predicting the economy will pull out of the recession and gather strength in the July-September quarter, helped in large measure by the July 1 tax cut and Social Security cost-of-living increases — a total of \$40 billion in stimulus.

Murray L. Weidenbaum, chairman of the president's Council of Economic Advisors, said Wednesday, "The economy, I sense, is beginning to turn up."

He said that the durability and length of any recovery will depend on whether business investment increases and whether interest rates decline.

Offers Hope

The leading indicators report from the Commerce Department offered some hope on the investment side of the equation. The biggest contributors to the May gain were new orders for consumer goods and materials, building permits and prices for sensitive raw materials.

The average work week for production workers increased and the number of initial claims for unemployment declined. Also declining were new contracts and orders for new plant and equipment.

The Commerce Department also reported Wednesday that factory orders had risen 1.5 percent in May after a 2.3 percent decline in April.

There remained, however, conflicting signals about interest rates.

The May report showed a declining money supply and a decline in total liquid assets held by U.S. businesses.

But on Tuesday, the Treasury sold \$4 billion of four-year notes at a price that produced the highest interest cost in more than three months. The average rate at the auction was 14.96 percent, the highest since the 14.05 percent at the auction of March 24.

The record average rate on such notes was 15.91 percent, set on Sept. 23, 1981.

Dealers had expected a rate of

(Continued on Page 9, Col. 4)

Wall Street Prices Finish Mixed

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange closed mixed Wednesday in very heavy trading as interest rate worries overshadowed early enthusiasm over the increase in the May leading

indicators.

The Dow Jones industrial average rose almost six points in morning trading, was up about 5½ late in the afternoon, but turned lower in the last half hour to finish down 0.28 at 811.93. Advances continued to lead declines by around 500.

Volume soared to 63.3 million shares from the 46.9 million traded Tuesday. Wednesday's was the largest turnover since May 7 when it reached 67.1 million shares.

Analysts also attributed the market's early strength to a strong bond market and the results so far of this week's Treasury auction, which is going better than expected.

But trading slowed and prices slumped to the afternoon after two major banks raised their broker loan rate, which analysts said reminded investors that interest rates will probably remain high for the near term.

Mr. Dragas said the \$300 million would help Yugoslavia meet its credit obligations without any greater disturbances to imports and industry, as well as bridge the gap before summer tourism starts bringing in hard cash.

He admitted that Yugoslavia had been hard pressed to repay about \$1.6 billion in debts to foreign creditors this and next month. But he said June debts of \$963 million were largely met, as would be those for July.

He admitted that Yugoslavia is facing serious economic problems including high inflation, foreign debts of \$19.3 billion and heavy consumer demand.

Mr. Dragas said the \$300 million would help Yugoslavia meet its credit obligations without any greater disturbances to imports and industry, as well as bridge the gap before summer tourism starts bringing in hard cash.

Some of the negatives he mentioned were an expected large increase in the money supply during July, the probability of very poor second quarter corporate earnings, the large fiscal 1983 federal budget deficit and the slow pace of the economic recovery.

"About the best you can expect from the market at this point is that it is trying to build a base at its present level," Mr. Gordon said.

On the NYSE floor, the demise of rumors that Royal Dutch/Shell wanted to increase its stake in Shell Oil sent the price of Shell stock plummeting.

In London earlier in the week, traders had said that the British-Dutch group wanted to buy the 31 percent of the Saarland-based steel firm Stahlwerke Röchling-Burbach.

The cabinet said it is prepared to grant further aid to a joint investment plan drawn up by Krupp Stahl and Esel Hoesch Werke and to protect its steel producers by imposing quotas or compensatory levies. The cabinet made no decision on the matter.

Meanwhile, the cabinet said in a statement it is prepared to grant further aid to a joint investment plan drawn up by Krupp Stahl and Esel Hoesch Werke and to protect its steel producers by imposing quotas or compensatory levies. The cabinet made no decision on the matter.

The cabinet said a condition for the market at this point is that it is trying to build a base at its present level," Mr. Gordon said.

On the NYSE floor, the demise of rumors that Royal Dutch/Shell wanted to increase its stake in Shell Oil sent the price of Shell stock plummeting.

In London earlier in the week, traders had said that the British-Dutch group wanted to buy the 31 percent of the Saarland-based steel firm Stahlwerke Röchling-Burbach.

PIAGET



The Jeweler you should not miss...

EDWARD JEWELS

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This announcement appears as a matter of record only

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CITICORP INTERNATIONAL GROUP

EUROPEAN ARAB BANK (BRUSSELS) S.A.

THE FUJI BANK, LIMITED

Dow Jones Averages

	Open	High	Low	Close	Chg.	Vol.
30 Ind.	100.98	101.00	99.95	100.95	+0.00	20,100
20 Ttr.	119.42	120.12	117.20	119.32	+0.10	2,100
12 Utr.	108.91	108.82	107.80	108.72	+0.00	1,000
62 S&P	215.78	220.00	214.72	214.72	+0.00	1,000

Standard & Poors Index

	High	Low	Close	Chg.	Vol.
Composite	515.24	513.22	513.22	+0.00	1,000
Industrials	516.24	514.22	514.22	+0.00	1,000
Utilities	516.24	514.22	514.22	+0.00	1,000
Trans.	516.24	514.22	514.22	+0.00	1,000

Not Available: Finance

Traded:

Included in the sales figure.

Market Summary, June 30

Market Diaries

AMEX Stock Index

	NYSE	AMEX	High	Low	Close	Chg.	Vol.
Volume	4,524	512.4	132	124	124	+0.00	1,000
Vol. Up	2,114	214	206	205	205	+0.00	1,000
Vol. Down	2,114	214	206	205	205	+0.00	1,000
Total	4,524	512.4	132	124	124	+0.00	1,000
New highs	12	12	12	12	12	+0.00	1,000
New lows	12	12	12	12	12	+0.00	1,000

Odd-Lot Trading in N.Y.

	Buy	Sales	Short
June 29	103,915	103,915	103,915
June 30	103,915	103,915	103,915
June 29	79,728	79,728	79,728
June 30	79,728	79,728	79,728
June 29	125,184	125,184	125,184
June 30	125,184	125,184	125,184

Included in the sales figure.

Bonds

Utilities

Industrials

Services

NYSE Index

Composite

Industrials

Trans.

Utilities

Finance

Services

Averages

Stocks

Bonds

Utilities

Services

Averages

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SPORTS

Hendrick, Cardinals Bury Phillies, 15-3

Compiled by Our Staff From Dispatches

PHILADELPHIA — The St. Louis Cardinals and George Hendrick drove out of their offensive

victims Tuesday night by crashing

a seven-run, 15-3, breakthrough.

After Hendrick's eighth-game winning

drive in the National League's

Division.

Hendrick drove in seven runs

and Tom Seaver had a

two-hitter for the Cardinals.

Hendrick's run-scoring

drive in the ninth

was the 15th of his

in the National League's

Division.

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